

105TH CONGRESS
1ST SESSION

H. R. 2777

To amend the Federal Election Campaign Act of 1971 to limit the amount of non-Federal money that may be contributed to national political parties, to treat certain communications as independent expenditures subject to regulation under the Act, to restrict the solicitation and transfer of funds by candidates and parties to certain nonprofit organizations, and to require certain candidates to make monthly reports under the Act and to post such reports on the Internet.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 30, 1997

Mr. GEPHARDT (for himself, Mr. FAZIO of California, Mrs. KENNELLY of Connecticut, Mr. FROST, Ms. DELAURO, Mr. EDWARDS, Mr. LEWIS of Georgia, Mr. MENENDEZ, Mr. FARR of California, Mr. BAESLER, Mr. GEJDENSON, Mr. PALLONE, Mr. ETHERIDGE, Mr. STRICKLAND, Mr. CLYBURN, Mr. CRAMER, Mr. PASTOR, Mr. BERRY, Mr. BROWN of California, Mr. CONDIT, Mr. DIXON, Mr. DOOLEY of California, Ms. HARMAN, Mr. LANTOS, Ms. LOFGREN, Mr. MARTINEZ, Mr. MATSUI, Ms. MILLENDER-MCDONALD, Ms. PELOSI, Ms. ROYBAL-ALLARD, Mr. SHERMAN, Mr. STARK, Mr. TORRES, Ms. WATERS, Mr. WAXMAN, Mr. MALONEY of Connecticut, Mrs. MEEK of Florida, Mrs. THURMAN, Mr. WEXLER, Mr. BISHOP, Mr. BLAGOJEVICH, Mr. LIPINSKI, Mr. RUSH, Mr. YATES, Mr. HOYER, Mr. WYNN, Mr. NEAL of Massachusetts, Mr. BARCIA, Ms. RIVERS, Ms. STABENOW, Mr. MINGE, Mr. SABO, Mr. VENTO, Mr. PAYNE, Mr. ROTHMAN, Mr. ACKERMAN, Mr. ENGEL, Mr. HINCHEY, Mr. RANGEL, Ms. SLAUGHTER, Mr. HEFNER, Mr. PRICE of North Carolina, Mr. DEFazio, Mr. SPRATT, Mr. GORDON, Mr. TANNER, Mr. BENTSEN, Mr. RODRIGUEZ, Mr. SANDLIN, Mr. MORAN of Virginia, Mr. SISISKY, Mr. DICKS, Mr. WISE, Mr. POMEROY, Mr. BOSWELL, Mr. CUMMINGS, Mr. DINGELL, Mr. TOWNS, Mr. MCHALE, Mr. STENHOLM, Mr. McDERMOTT, Mr. JOHN, Mr. SERRANO, Mr. BLUMENAUER, Mr. ABERCROMBIE, Mr. HASTINGS of Florida, Mr. HOLDEN, Mr. BROWN of Ohio, Ms. SANCHEZ, Mr. JEFFERSON, Mr. SCOTT, Mr. PICKETT, Mr. CARDIN, Mrs. MINK of Hawaii, Mr. SAWYER, Mr. COYNE, Mr. GREEN, Mr. HINOJOSA, Mr. ORTIZ, Mr. REYES, Ms. FURSE, and Mrs. MCCARTHY of New York) introduced the following bill; which was referred to the Committee on House Oversight

A BILL

To amend the Federal Election Campaign Act of 1971 to limit the amount of non-Federal money that may be contributed to national political parties, to treat certain communications as independent expenditures subject to regulation under the Act, to restrict the solicitation and transfer of funds by candidates and parties to certain nonprofit organizations, and to require certain candidates to make monthly reports under the Act and to post such reports on the Internet.

1 *Be it enacted by the Senate and House of Representa-*
 2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Campaign Finance
 5 Reform Act of 1997”.

6 **SEC. 2. LIMITATION ON AMOUNT OF NON-FEDERAL MONEY**
 7 **CONTRIBUTED BY NATIONAL POLITICAL PAR-**
 8 **TIES.**

9 Section 315(a) of the Federal Election Campaign Act
 10 of 1971 (2 U.S.C. 441a(a)) is amended by adding at the
 11 end the following new paragraph:

12 “(9)(A) In addition to the limitation on the amount
 13 of contributions a person may make under this subsection,
 14 no person may make any payment described in subpara-
 15 graph (C) to any political committee established and main-
 16 tained by a national political party in any calendar year
 17 in an amount which, in the aggregate, exceeds \$10,000.

1 “(B) For purposes of subparagraph (A), the Senato-
 2 rial campaign committee and the Congressional campaign
 3 committee of each national political party shall each be
 4 treated as a separate political committee established and
 5 maintained by the party.

6 “(C) A payment described in this subparagraph is a
 7 payment of any gift, subscription, loan, advance, or de-
 8 posit of money or anything of value made in support of
 9 the activities of a political committee established and
 10 maintained by a national political party or the party (other
 11 than any payment treated as a contribution for purposes
 12 of the limitations on contributions imposed under this sub-
 13 section).”.

14 **SEC. 3. TREATMENT OF CERTAIN COMMUNICATIONS AS**
 15 **INDEPENDENT EXPENDITURES.**

16 Section 301(17) of the Federal Election Campaign
 17 Act of 1971 (2 U.S.C. 431(17)) is amended to read as
 18 follows:

19 “(17)(A) The term ‘independent expenditure’ means
 20 an expenditure made by a person expressly advocating the
 21 election or defeat of a clearly identified candidate which
 22 is made without cooperation or consultation with any can-
 23 didate, or any authorized committee or agent of such can-
 24 didate, and which is not made in concert with, or at the

1 request or suggestion of, any candidate, or any authorized
 2 committee or agent of such candidate.

3 “(B) For purposes of subparagraph (A), a person
 4 shall be deemed to be ‘expressly advocating the election
 5 or defeat of a clearly identified candidate’ if the person
 6 makes any expenditure for a communication disseminated
 7 during the 90-day period which ends on the date of an
 8 election which includes the name, image, or likeness of a
 9 candidate for election for Federal office, if the person has
 10 expended an aggregate amount equal to or greater than
 11 \$10,000 for such communications during such period, tak-
 12 ing into account any expenditures for such communica-
 13 tions made by any other person who is under the direction
 14 or control of or otherwise affiliated with the person.”.

15 **SEC. 4. RESTRICTIONS ON SOLICITATION AND TRANSFER**
 16 **OF FUNDS BY CANDIDATES AND PARTIES TO**
 17 **CERTAIN NONPROFIT ORGANIZATIONS.**

18 Title III of the Federal Election Campaign Act of
 19 1971 (2 U.S.C. 431 et seq.) is amended by adding at the
 20 end the following new section:

21 “SOLICITATION AND TRANSFER OF FUNDS BY CAN-
 22 DIDATES AND PARTIES TO CERTAIN NONPROFIT OR-
 23 GANIZATIONS

24 “SEC. 323. (a) RESTRICTIONS ON SOLICITATION OF
 25 CONTRIBUTIONS BY CANDIDATES AND OFFICE-
 26 HOLDERS.—

1 “(1) IN GENERAL.—No individual who is a can-
2 didate for election for Federal office or who holds
3 Federal office may solicit contributions to, or on be-
4 half of, any organization that is exempt from Fed-
5 eral taxation under section 501(c) of the Internal
6 Revenue Code of 1986 during any period for which
7 the individual is such a candidate or holds such of-
8 fice if the organization is established, maintained, or
9 controlled by such individual.

10 “(2) CERTAIN INDIVIDUALS TREATED AS HOLD-
11 ING FEDERAL OFFICE.—For purposes of this sub-
12 section, an individual shall be treated as holding
13 Federal office if such individual holds a position de-
14 scribed in level I of the Executive Schedule under
15 5312 of title 5, United States Code.

16 “(b) PROHIBITING SOLICITATIONS FOR OR DONA-
17 TIONS TO NONPROFIT ORGANIZATIONS BY PARTIES.—No
18 national, State, district or local committee of a political
19 party, including the national congressional campaign com-
20 mittees of a political party, any entity that is directly or
21 indirectly established, financed, maintained, or controlled
22 by a committee of a political party, any entity acting on
23 behalf of a committee of a political party, and any officer
24 or agent acting on behalf of any such party committee or
25 entity, may solicit any funds for or make any donations

1 to any organization that is exempt from Federal taxation
 2 under section 501(c) of the Internal Revenue Code of
 3 1986.”.

4 **SEC. 5. REQUIRING MONTHLY REPORTS FOR CERTAIN CAN-**
 5 **DIDATE COMMITTEES.**

6 (a) IN GENERAL.—Section 304(a)(2)(A)(iii) of the
 7 Federal Election Campaign Act of 1971 (2 U.S.C.
 8 434(a)(2)(A)(iii)) is amended to read as follows:

9 “(iii)(I) in the case of a committee that
 10 has reported an aggregate amount of contribu-
 11 tions during the year in an amount equal to or
 12 greater than \$50,000, additional monthly re-
 13 ports for all months in the year other than No-
 14 vember and December, which shall be filed no
 15 later than the 20th day after the last day of the
 16 month and shall be complete as of the last day
 17 of the month, together with a year end report
 18 which shall be filed no later than January 31
 19 of the following calendar year, or

20 “(II) in the case of any other committee,
 21 additional quarterly reports, which shall be filed
 22 no later than the 15th day after the last day of
 23 each calendar quarter, and which shall be com-
 24 plete as of the last day of each calendar quar-
 25 ter: except that the report for the quarter end-

1 ing December 31 shall be filed no later than
 2 January 31 of the following calendar year;
 3 and”.

4 (b) REQUIRING COMMITTEES TO MAKE REPORTS
 5 AVAILABLE ON INTERNET.—

6 (1) IN GENERAL.—Section 304(a)(11)(A) of
 7 such Act (2 U.S.C. 434(a)(11)(A)) is amended by
 8 striking the period at the end and inserting the fol-
 9 lowing: “, except that a principal campaign commit-
 10 tee of a candidate filing monthly reports pursuant to
 11 paragraph (2)(A)(iii)(I) shall file such reports by
 12 such electronic format or method and at the time of
 13 filing shall post such reports on the Internet at an
 14 Internet site established by the committee.”.

15 (2) INTERNET DEFINED.—Section 301 of such
 16 Act (2 U.S.C. 431) is amended by striking para-
 17 graph (19) and inserting the following new para-
 18 graph:

19 “(19) The term ‘Internet’ means the international
 20 computer network of both Federal and non-Federal inter-
 21 operable packet-switched data networks.”.

22 **SEC. 6. NONSEVERABILITY OF PROVISIONS.**

23 If any provision of this Act or any amendment made
 24 by this Act, or the application thereof to any person or
 25 circumstance, is held invalid, the remaining provisions of

1 this Act or any amendment made by this Act shall be
2 treated as invalid.

3 **SEC. 7. EFFECTIVE DATE.**

4 The amendments made by this Act shall apply with
5 respect to amounts contributed or expended on or after
6 the date of the enactment of this Act.

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